


QUESTION 2

Is Kentucky education affordable for its citizens?

To increase Kentucky's intellectual capital, college must remain financially accessible, especially for families who are least able to pay. Historically, the cost of going to college in Kentucky has compared favorably to other states. This is still true today. Tuition remains relatively low and the average financial aid award is high. However, rising tuition and fees are placing a financial strain on many families. If this trend continues, Kentucky may overload students with debt or price them out of college completely. We must strive to provide Kentuckians with the highest quality of education possible at an affordable price.



"Kentucky higher education is within reasonable range of affordability for most students. The biggest exception to this is lower-income, independent students who do not receive as much state aid as dependent students and face a higher net price which requires more borrowing. Some dependent students in the lowest-income quartile attending four-year public or private institutions are also at the margins of affordability."

College Affordability in Kentucky, JBL Associates, Inc. and the Educational Policy Institute, September 2005

Kentucky remains in the top third of states in providing affordable postsecondary education opportunities, according to *Measuring Up 2004*.

Average tuition and fees at Kentucky institutions in 2004-05 were 15 percent below the national average.

The cost of public postsecondary education as a percent of family income is unchanged from a decade ago.

PROGRESSES

CHALLENGES

While college in Kentucky remains affordable compared to other states, it is losing ground. According to *Measuring Up 2004*, the state's ranking in overall affordability slipped from 8 to 14 from 2002 to 2004.

The purchasing power of the federal Pell grant has declined considerably over the last two decades. In 1980-81, the Pell grant covered 36 percent of the average cost of attending a public, four-year institution; by 2003-04, it covered only 23 percent, according to the College Board.

Kentucky undergraduates borrow more than the national average. In 2003, the average loan amount in Kentucky was \$3,018.

Adequate financial aid is not available for part-time students, a barrier for adults in the workforce.

How We Get to Yes

- Increased public investment in postsecondary education and financial aid for the greater economic and social good of Kentucky.
- Increased institutional productivity and efficiency to contain tuition and college costs.
- More integrated and aligned policies governing financial aid, tuition, and state appropriations aimed at reducing financial barriers for students and increasing institutional capacity to meet the educational needs of the state.
- More and better communication with prospective students and their families about financial aid opportunities and net college costs.
- Expanded grant programs and low-interest, forgivable student loans that address workforce demands and the needs of underserved populations, including GED graduates, part-time students, and transfer students.
- A re-examination of the Kentucky Educational Excellence Scholarship (KEES) program to ensure students are rewarded, not just for good grades, but also for taking rigorous courses.

